

MEMORANDUM OF AGREEMENT

**Tabled by the ATU 615
This day of November 8th, 2016
Without Prejudice, E. & O. E**

**THE UNION RESERVES THE RIGHT TO WITHDRAW THIS OFFER AS
OF 5:00 P. M., NOVEMBER 10TH, 2016**

BETWEEN:

AMALGAMATED TRANSIT UNION, LOCAL 615,

UNION

AND:

THE CITY OF SASKATOON,

EMPLOYER

WHEREAS the parties are desirous of reaching a full and final settlement of their differences respecting changes to the City of Saskatoon Superannuation Plan;

AND WHEREAS the parties are desirous of concluding a revised collective agreement;

NOW THEREFORE this agreement witnesses as follows:

1. The parties agree that in the event the Arbitration Board that heard ATU Grievance No. 2014-023 (dated May 12, 2014) upholds that grievance, the parties shall fully and finally resolve their collective bargaining by executing the Memorandum of Agreement attached hereto as Appendix A, and recommending the same to their principals.

2. The parties agree that in the event the Arbitration Board that heard ATU Grievance No. 2014-023 (dated May 12, 2014) dismisses that grievance, the parties shall fully and finally resolve their collective bargaining by executing the Memorandum of Agreement attached hereto as Appendix B, and recommending the same to their principals.

3. The parties agree that in the event it is unclear from the ruling of the Arbitration Board that heard ATU Grievance No. 2014-023 (dated May 12, 2014) as to whether the grievance was upheld or dismissed, they shall have leave to return to the same arbitration board to seek a ruling on the same, and place the within agreement before the Arbitration Board for a final and binding determination.

4. Both parties shall have the right to seek judicial review (and any related appeals) of the Arbitration Board's decision, and nothing in this agreement shall detract from those ordinary review and appeal rights.

5. This Memorandum of Agreement and the agreements reached herein shall remain strictly confidential, and for more certainty, the Arbitration Board and its members which heard grievance 2014-023 shall not be advised of the contents of this agreement, nor shall this agreement be made public until the conclusion of the Arbitration Board's proceedings

DATED at the City of Saskatoon, in the Province of Saskatchewan, this _____ day of November, 2016.

CITY OF SASKATOON

Per: _____

Title: _____

Per: _____

Title: _____

AMALGAMATED TRANSIT UNION. LOCAL 615

Per: _____

Title: _____

Per: _____

Title: _____

APPENDIX A

MEMORANDUM OF AGREEMENT

BETWEEN:

The City of Saskatoon

("The City")

AND:

Amalgamated Transit Union, Local 615

("ATU 615")

Re: The General Superannuation Plan for City of Saskatoon Employees Not Covered by the Police and Fire Departments' Superannuation Plans (Plan)

Effective January 1, 2014 or as soon as practicable, the parties agree to implement the following changes to the General Superannuation Plan for City of Saskatoon Employees Not Covered by the Police and Fire Departments' Superannuation Plans (Plan):

1. Remove commuted value transfer option for members who qualify for a reduced pension but not an unreduced pension. For greater clarity, Members will not have the option of electing to transfer their benefit entitlement out of the Plan once eligible for an immediate pension.
2. Costs up to \$250,000 annually associated with the administration of the Plan shall be borne by the Plan. Costs shall be capped at a maximum of \$250,000 per year subject to rate increases equivalent to average GEI. For greater clarity, the administrative costs are those costs that are borne directly by the City in relation to the administration of the Plan. This is not intended to cover plan related costs that have been authorized by the Board of Trustees.

Effective January 1, 2015, the parties agree to implement the following changes to the Plan for service accrued on or after January 1, 2015:

1. The normal form of pension will be changed to remove the subsidization for married members. As such, the normal form of pension for a married member will be a 60% survivor benefit with a 5-year guarantee that is actuarially equivalent to the normal form pension of a lifetime benefit with a 10-year guarantee.
2. "Final Earnings" will be calculated as the sum of:

- a) the 60 consecutive months of employment with the City during which the Member's Earnings (excluding overtime earnings) were the highest (i.e. best average 5 years of Earnings); and

- b) the 84 consecutive months of employment with the City on or after January 1, 2015 during which the Member's overtime earnings were the highest (i.e. best average 7 years of overtime earnings commencing January 1, 2015).

For greater clarity, Final Earnings for service on or after January 1, 2015 can be no greater than Final Earnings for service prior to January 1, 2015.

3. The definition of Earnings for the purposes of calculating a Member's entitlement will no longer be based on all remuneration received by a Member, but rather on base earnings (i.e. excluding overtime).

4. The unreduced retirement age provisions will change to rule of 85, 35 years of service or age 62.

5. Increase Active Member required contribution rates such that the average contribution rate when considering the total contributions above and below the YMPE will be 8.5%.
 - 8.1% of Earnings, other than deemed Earnings, up to the YMPE; and
 - 9.7% of Earnings, other than deemed Earnings, in excess of the YMPE.

Effective January 1, 2016, the parties agree to implement the following changes to the Plan:

Increase Active Member required contribution rates such that the average contribution rate when considering the total contributions above and below the YMPE will be 8.80%.

- 8.4% of Earnings, other than deemed Earnings, up to the YMPE; and
- 10.0% of Earnings, other than deemed Earnings, in excess of the YMPE.

Future Funding Requirements

In the event the Plan requires additional funding in order to meet the minimum funding requirements for any valuation prepared on or after December 31, 2015 and filed with the regulatory authorities the parties agree to:

Increase Active Member required contribution rates by 0.20%. The average contribution rate when considering the total contributions above and below the YMPE will be 9.0%.

- 8.6% of Earnings, other than deemed Earnings, up to the YMPE; and

- 10.2% of Earnings, other than deemed Earnings, in excess of the YMPE.

Notwithstanding, in the event the Plan requires additional funding (i.e. in excess of the 0.2% increase mentioned above) in order to meet the minimum funding requirements for any valuation prepared on or after December 31, 2015 and filed with the regulatory authorities, the City shall contribute any amount necessary to meet minimum funding requirements unless otherwise negotiated by the parties.

This proposal is subject to:

1. The approval of the Financial and Consumer Affairs Authority of Saskatchewan (i.e. Superintendent of Pensions); and
2. the Board of Trustees filing a valuation as at December 31, 2012 with a 5% margin, and
3. Requirements as prescribed by the provincial legislation.

No other terms of the pension Plan affecting members of ATU Local 615 shall be amended during the term of the collective agreement unless negotiated and agreed to by the parties. This proposal is also deemed to include all consequential amendments to the collective agreement and the City of Saskatoon General Superannuation Plan Bylaw, 2003.

The parties agree to this pension package conditional upon agreement on all other outstanding issues.

If not included above the original superannuation plan applies.

The parties also agree to recommend this package proposal to their principals.

SIGNED this the _____ day of November 3rd, 2016

ATU Local 615

City of Saskatoon

**Tabled by the ATU 615
This day of November 8th, 2016
Without Prejudice, E. & O. E**

BETWEEN:

APPENDIX B

The City of Saskatoon

("The City")

AND:

Amalgamated Transit Union, Local 615

("ATU 615")

Re: The General Superannuation Plan for City of Saskatoon Employees Not Covered by the Police and Fire Departments' Superannuation Plans (Plan)

Effective January 1, 2014 or as soon as practicable, the parties agree to implement the following changes to the General Superannuation Plan for City of Saskatoon Employees Not Covered by the Police and Fire Departments' Superannuation Plans (Plan):

1. **Remove commuted value transfer option for members who qualify for a reduced pension but not an unreduced pension. For greater clarity, Members will not have the option of electing to transfer their benefit entitlement out of the Plan once eligible for an immediate pension.**
2. **Costs up to \$250,000 annually associated with the administration of the Plan shall be borne by the Plan. Costs shall be capped at a maximum of \$250,000 per year subject to rate increases equivalent to average GEI. For greater clarity, the administrative costs are those costs that are borne directly by the City in relation to the administration of the Plan. This is not intended to cover plan related costs that have been authorized by the Board of Trustees.**
3. **Increase Active Member required contribution rates by 0.30%. The average contribution rate when considering the total contributions above and below the YMPE will be 8.2%.**
 - **7.8% of Earnings, other than deemed Earnings, up to the YMPE; and**
 - **9.4% of Earnings, other than deemed Earnings, in excess of the YMPE.**

Effective January 1, 2015, the parties agree to implement the following changes to the Plan for service accrued on or after January 1, 2015:

1. **The normal form of pension will be changed to remove the subsidization for married members. As such, the normal form of pension for a married member will be a 60% survivor benefit with a 5-year guarantee that is actuarially equivalent to the normal form pension of a lifetime benefit with a 10-year guarantee.**

2. "Final Earnings" will be calculated as the sum of:
- a) the 60 consecutive months of employment with the City during which the Member's Earnings (excluding overtime earnings) were the highest (i.e. best average 5 years of Earnings); and
 - b) the 84 consecutive months of employment with the City on or after January 1, 2015 during which the Member's overtime earnings were the highest (i.e. best average 7 years of overtime earnings commencing January 1, 2015).

For greater clarity, Final Earnings for service on or after January 1, 2015 can be no greater than Final Earnings for service prior to January 1, 2015.

3. The definition of Earnings for the purposes of calculating a Member's entitlement will no longer be based on all remuneration received by a Member, but rather on base earnings (i.e. excluding overtime).
4. The unreduced retirement age provisions will change to rule of 85, 35 years of service or age 62.
5. Increase Active Member required contribution rates by 0.30%. The average contribution rate when considering the total contributions above and below the YMPE will be 8.5%.
- 8.1% of Earnings, other than deemed Earnings, up to the YMPE; and
 - 9.7% of Earnings, other than deemed Earnings, in excess of the YMPE.

Effective January 1, 2016, the parties agree to implement the following changes to the Plan:

Increase Active Member required contribution rates by 0.30%. The average contribution rate when considering the total contributions above and below the YMPE will be 8.80%.

- 8.4% of Earnings, other than deemed Earnings, up to the YMPE; and
- 10.0% of Earnings, other than deemed Earnings, in excess of the YMPE.

Future Funding Requirements

In the event the Plan requires additional funding in order to meet the minimum funding requirements for any valuation prepared on or after December 31, 2015 and filed with the regulatory authorities the parties agree to:

Increase Active Member required contribution rates by 0.20%. The average contribution rate when considering the total contributions above and below the YMPE will be 9.0%.

- 8.6% of Earnings, other than deemed Earnings, up to the YMPE; and
- 10.2% of Earnings, other than deemed Earnings, in excess of the YMPE.

Thereafter, the Plan will be supported through average fixed rate employee and City contributions of 9.0% of earnings.

Notwithstanding, in the event the Plan requires additional funding (i.e. in excess of the 0.2% increase mentioned above) in order to meet the minimum funding requirements for any valuation prepared on or after December 31, 2015 and filed with the regulatory authorities, the City is prepared, on a one time basis, to temporarily increase contribution rates by 0.50%, matched by the employee, as part of the Plan changes.

In the event the temporary contribution rate increase is implemented the parties agree to make Plan changes, to be implemented no later than six years after the effective date of the temporary contribution rate increase, that would provide a sustainable pension plan supported by an average fixed contribution rate of 9.0% of Earnings by both employees and the City, unless otherwise negotiated.

In the event a valuation, including the December 31, 2015 valuation, is filed within the six year period referenced above that requires additional funding in order to meet the minimum funding requirements in excess of the temporary average contribution rate of 9.5% of earnings the parties will meet as soon as possible and make Plan changes necessary to meet the minimum funding requirements with an average contribution rate of 9.5% of earnings for both employees and the City.

The parties agree that all benefit change made as a result of this proposal will apply to future service only.

Dispute Resolution

In the event the parties are unable to agree on which Plan changes should be implemented in relation to the above circumstances that necessitate changes to plan benefits 90 days prior to the required implementation date of those changes either party may refer the matter to a jointly agreed to or assigned arbitrator, recognized as having expertise in the area of pension design, to determine the reduction in future service benefits that would be required such that the total funding requirements (current service cost and special payments) could be supported by the contribution rates as outlined above. The arbitrator's resolution will be binding with a goal to resolve within 30 days.

This proposal is subject to:

1. the approval of the Financial and Consumer Affairs Authority of Saskatchewan (i.e. Superintendent of Pensions); and
2. the Board of Trustees filing a valuation as at December 31, 2012 with a 5% margin, and
3. requirements as prescribed by the provincial legislation.

This proposal is also deemed to include all consequential amendments to the collective agreement and the City of Saskatoon General Superannuation Plan Bylaw, 2003.

SIGNED this the _____ day of _____, 2016.

On behalf of
The City of Saskatoon

On behalf of
A.T.U Local 615

